

Underwriting Guidelines

This section will show you what level of businesses can be approved and which documents are required for each risk level.



OVERVIEW

This section will show you what level of businesses approved and which documents are required for each risk level.

UNDERWRITING GUIDELINES

LEVEL 1 – RETAIL

- 80% + Card Swiped
- Future Service Liability Less Than 30 Days
- Acceptable Type of Business (Business Types Other Than Those Listed On the Restricted or Prohibited List)
- Visa/MC Monthly Volume Less than \$200,000 / monthly or \$2.5 million/ year
- Average Ticket Less than \$300
- High Ticket Less than \$1000

LEVEL 1 – DOCUMENTATION REQUIREMENTS

- 1) Fully completed and properly signed Merchant Agreement using the most current approved version of the Merchant Agreement (fax or email copy) including at a minimum:
 - a) Length of current ownership
 - b) Physical address of business location (P.O. Box is not acceptable)
 - c) Federal Tax ID (Social Security Number is OK for Sole Proprietorships)
 - d) Verifiable business phone number (Cell phones are NOT acceptable as the primary number. The merchant must have a verifiable landline phone number). Phone bill is required for any merchant where the number cannot be verified.
 - e) Verifiable social security number***
 - f) Principal/Owner information and signature representing a minimum of 50% of the ownership of the company.
 - g) Complete and accurate description of the products/services sold.
 - h) Complete and accurate description of method of sales (Retail, Mail Order, Phone Order, etc.)
 - i) Annual Volume and average sale amount.
 - j) Kiosks and Flea Market Merchants need to provide a lease agreement for at least 6 months.
 - k) Voided Check from a checking account that is able to receive ACH credits and debits in the business DBA name listed on the Merchant Agreement. Starter checks require a verification telephone call by an underwriter. Where a bank corporate policy prohibits verbal verification of starter checks a letter from the bank verifying the correct account name, routing and DDA numbers, and authorized account signer is **REQUIRED**.
 - l) Fully completed and properly signed Schedule of Fees.
 - m) Fully completed “Cover Sheet” describing license for those applicants where the credit bureau reporting agency does not verify the SS#***
- 2) Site Survey – You can provide a site survey and photos (inside and out with address and business name clearly visible). Or, in lieu of conducting a site survey and providing compliant photos, we need you to provide a minimum of ANY ONE of the following items (in order of effectiveness) which verifies the name and physical address as submitted on the application:

- a) Credit Card Processing Statements (if applicable)
 - b) Business License/Fictitious DBA Name Filing/Sales Tax License
 - c) Utility Bill
 - d) Phone Bill (with the service address matching the physical address on the application)
 - e) Yellow Page Advertisement
 - f) Lease Agreement
 - g) Certificate of Occupancy
 - h) Association Directory
- 3) Financial Information – We require financial information only when the Level 1 merchant is processing over \$2.5 million annually (\$200K+/month). The following is the order of effectiveness for financial information – (a) being the most effective:
- a) Business Balance Sheet & Income Statement – most recent fiscal year & CPA prepared
 - b) Business Tax Return – most recent fiscal year & CPA prepared
 - c) Personal Tax Return – most recent calendar year & CPA prepared
 - d) Personal Financial Statement including Statement Of Annual Income, Assets, Liabilities, and personal net worth (CPA prepared or bank certified)
- 4) AUTO-APPROVAL GUIDELINES – All Level 1 merchants with less than \$200,000/month (Visa/MC processing volume), and less than a \$30 average ticket and \$1000 high ticket are AUTO-APPROVED. Exceptions include but not limited to merchants in a current bankruptcy that has not been discharged for a minimum of six months, low credit scoring merchants, merchants on Visa/MC's CTMF File, and merchant applications that have falsified or fictitious information.
- 5) Funds Availability – Merchants receive their funds in approximately two business days.

LEVEL 2 – RETAILS/SERVICE/TRADE SHOW

- Greater than 50% BUT LESS THAN 85% Card Swiped
- Future Service Liability Less Than 30 Days
- Acceptable Type of Business (Business types other than those listed on the Restricted or Prohibited List)
- VISA/MC Monthly Volume less than \$10,000/month
- Average Ticket less than \$300, High ticket less than \$1000

LEVEL 2 – DOCUMENTATION REQUIREMENTS

- 1) Fully completed and properly signed Merchant Agreement using the most current approved version of the Merchant Agreement (fax or email copy) including at a minimum:
 - a) Length of current ownership
 - b) Physical address of business location (P.O. Box is not acceptable)
 - c) Federal Tax ID (Social Security Number is OK for Sole Proprietorships)
 - d) Verifiable business phone number (Cell phones are NOT acceptable as the primary number. The merchant must have a verifiable landline phone)

number). Phone bill is required for any merchant where the number cannot be verified.

- e) Verifiable social security number***
- f) Principal/Owner information and signature representing a minimum of 50% of the ownership of the company.
- g) Complete and accurate description of the products/services sold.
- h) Complete and accurate description of method of sales (Retail, Mail Order, Phone Order, etc . . .)
- i) Annual Volume and average sale amount
- j) Kiosks and Flea Market Merchants need to provide a lease agreement for at least 6 months.
- k) Voided Check from a checking account that is able to receive ACH credits and debits in the business DBA name listed on the Merchant Agreement. Starter checks require a verification telephone call by an underwriter. Where a bank corporate policy prohibits verbal verification of starter checks a letter from the bank verifying the correct account name, routing and DDA numbers, and authorized account signer is REQUIRED.
- l) Fully completed and properly signed "Schedule of Fees".
- m) Fully completed "Business Description Profile".
- n) Fully completed "Cover Sheet" describing the setup instructions.

Will require copy of social security card and drivers license for those applicants where the credit bureau reporting agency does not verify the SS#

- 2) Site Survey – You can provide a site survey and photos (inside and out with address and business name clearly visible). Or, in lieu of conducting a site survey and providing compliant photos, we need you to provide a minimum of ANY ONE of the following items (in order of effectiveness) which verifies the name and physical address as submitted on the application:
 - a) Credit Card Processing Statements (if applicable)
 - b) Business License/Fictitious DBA Name Filing/Sales Tax License
 - c) Utility Bill
 - d) Phone Bill (with the service address matching the physical address on the application)
 - e) Yellow Page Advertisement
- 3) Processing Statements – If the merchant is currently processing Visa/MC, we need the most recent three months credit card processing statements.
- 4) Financial Information – We require financial information only when the Level 2 merchant is processing over \$120K/year (\$10K per month). The following is the order of effectiveness for financial information – (a) being the most effective:
 - a) Business Balance Sheet & Income Statement – most recent fiscal year & CPA prepared
 - b) Business Tax Return – most recent fiscal year & CPA prepared
 - c) Personal Tax Return – most recent calendar year & CPA prepared
 - d) Personal Financial Statement including Statement of annual income, assets, liabilities, and personal net worth (CPA prepared or bank certified)

- 5) **AUTO-APPROVAL GUIDELINES** – All Level 2 merchants with less than \$10,000/month (Visa/MC processing volume), and less than a \$300 average ticket or \$1000 high ticket are AUTO-APPROVED. Exceptions include but are not limited to merchants in a current bankruptcy that has not been discharged for a minimum of six months, low credit scoring merchants, merchants on Visa/MC's CTMF File, for merchant applications that have falsified or fictitious information, and for merchants selling computer hardware products.
- 6) **Funds Availability** – Merchants receive their funds in approximately two business days.

LEVEL 3 (MO/TO OR INTERNET BASED)

- Visa/MC Monthly Volume Less Than \$10K
- Average Ticket Less Than \$300
- High Ticket Less Than \$1000
- Future Service Liability Less Than 90 Days
- Acceptable Type of Business (Business Types Other Than Those Listed on the Restricted or Prohibited List)

LEVEL 3 – DOCUMENTATION REQUIREMENTS

- 1) Fully completed and properly signed Merchant Agreement using the most current approved version of the Merchant Agreement (fax or email copy) including at a minimum:
- a) Length of current ownership
 - b) Physical address of business location (P.O. Box is not acceptable)
 - c) Federal Tax ID (Social Security Number is OK for Sole Proprietorships)
 - d) Verifiable business phone number (Cell phones are NOT acceptable as the primary number. The merchant must have a verifiable landing phone number). Phone bill is required for any merchant where the number cannot be verified.
 - e) Verifiable social security number ***
 - f) Principal/Owner information and signature representing a minimum of 50% of the ownership of the company.
 - g) Complete and accurate description of the products/services sold.
 - h) Complete and accurate description of method of sales (Retail, Mail Order, Phone Order, etc . . .)
 - i) Annual Volume and average sale amount.
 - j) Voided Check from a checking account that is able to receive ACH credits and debits in the business DBA name listed on the Merchant Agreement. Starter checks require a verification telephone call by an underwriter. Where a bank corporate policy prohibits verbal verification of starter checks a letter from the bank verifying the correct account name, routing and DDA numbers, and authorized account signer is REQUIRED.
 - k) Fully completed and properly signed "Schedule of Fees".
 - l) Fully completed "Business Description Profile"
 - m) Fully completed "Cover Sheet" describing the setup instructions

Will require copy of social security card and drivers license for those applicants where the credit bureau reporting agency does not verify the SS#

- 2) Site Survey – A site survey and photos are NOT REQUIRED for Level 3 Merchants. NDC will be responsible for conducting a verification of the account including: telephone call to the merchant, verification that the designated checking account will accept ACH deposits and withdrawals, website registration verification, and reverse-lookups on the business and home telephone number.
- 3) Marketing Materials – Internet-Based merchants need to provide a website disclosing the merchant DBA Name, address, telephone number, email address, product/service pricing, delivery method/shipping policy, and refund policy. Non internet-based merchants need to provide a copy of brochures, marketing materials, catalog or advertisements showing the merchant DBA Name, address, and telephone number and products.
- 4) Processing Statements – If the merchant is currently processing Visa/MC, we need the most recent three months credit card processing statements.
- 5) Financial Information – We require financial information only when the Level 3 merchant is processing over \$120K/year (\$10K per month). The following is the order of the effectiveness for financial information –(a) being the most effective:
 - a) Business Balance Sheet & Income Statement – most recent 2 fiscal years & CPA prepared
 - b) Business Tax Return - most recent 2 fiscal years & CPA prepared
 - c) Personal Tax Return – most recent 2 calendar years & CPA prepared

Personal Financial Statement including Statement of Annual Income, Assets, Liabilities and personal net worth (CAP prepared or bank certified)

- 6) NDC AUTO-APPROVAL – All Level 3 merchants using our credit card processing software, with less than \$10,000/month (Visa/MC processing volume), and less than a \$300 average ticket and/or \$1000 high ticket are AUTO-APPROVED. Exception include but are not limited to merchants in a current bankruptcy that has not been discharged for a minimum of six months, for merchants on Visa/MC's CTMF File, low credit scoring merchants, and for the merchant applications that have falsified or fictitious information.
- 7) Funds Availability – Merchants receive their funds in 5 business days.

RESTRICTED MERCHANT LIST

MERCHANTS LISTED BELOW MAY REQUIRE ADDITIONAL DOCUMENTATION FOR UNDERWRITING AND CUSTOMIZED STRUCTURING DUE TO ELEVATED OR UNUSUAL LEVEL OF RISK!

- BAIL BONDS
- COMPUTER HARDWARE (GOOD CREDIT ONLY)
- CONSUMER ELECTRONIC PRODUCTS (GOOD CREDIT ONLY)
- GOLF CLUBS (NOT CUSTOM MADE)
- INTERNET AUCTIONS (LISTING FEES ONLY)
- LEAD LISTS (ALL TYPES)
- MASSAGE THERAPISTS (THERAPIST CERTIFICATION OR LICENSE REQUIRED)
- MLM (PRODUCT SALES ONLY)
- MORTGAGE SERVICES (APPLICATION AND PROCESSING FEES ONLY – NO POINTS)
- ONLINE MALLS (HOSTING/ADVERTISING FEES ONLY – MAX TICKET - \$150)
- ONLINE / MAIL ORDER EVENT TICKET SALES
- PREPAID / DISCOUNT HEALTH PLANS (5 YEARS IN BUSINESS AND MINIMUM 12 MONTHS PREVIOUS PROCESSING)
- PREPAID PHONE CARDS
- SELF HELP, SELF PUBLISHED BOOKS / PUBLICATIONS (MAX TICKET \$50)
- SEMINAR PROVIDERS (ALL TYPES)
- SPORTS FORECASTING (EXCELLENT CREDIT ONLY)
- USED CAR SALES (DEPOSITS, REPAIRS, AND DETAILING ONLY)
- WEB ADVERTISING (MONTHLY OR QUARTERLY BILLING MAX)
- WEB HOSTING & MAINTENANCE INTERNET SERVICE PROVIDERS (MONTHLY OR QUARTERLY BILLING MAX)